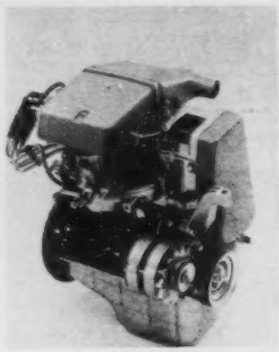

The 1-liter Fire 1000 heads into production late this year, and will show up in the new Lancia Y10 which debuts in February.

Fiat ignites a Fire

First of a new generation of engines

By Richard Feast
European Editor

When Fiat Auto S.p.A. laid out the concept of the new 1-liter engine known as Fire 1000, it did so on hotel tables around Turin. Fiat workers were on strike and the company's offices were closed. Moreover, the Italian auto company was weak and vulnerable at a time when the second post-oil crisis sales recession was setting in. That was the fall of 1980.

Fiat's recovered from those dark days by cutting fixed costs, automating plants and launching new products. It also worked to develop a new range of engines of which Fire is the first.

While car designs change relatively rapidly, new engines are a comparative novelty. One thinks in Europe of GM's Family 1 and 2 engine designs, and Ford's CVH. But for an all-new contender in the 1-liter segment, it is necessary to look back several decades.

What emerges in the Fire 1000 is a modern single-overhead camshaft, four-cylinder design that is conventional in all ways except one. Its production is very highly automated. Machining and crankshaft installation, and location of bearing shells and lubrication, are automatic. So are insertion of cylinder liners, and assembly and location of the cylinder head. What's more, exhaust manifold and carburetor are attached free of human hands.

Only half of the 2,000 workers at the Termoli factory in central Italy are now employed on Fire lines. But when the engine is in full production—Fiat will not say when this will be—a new engine will be turned out every 20 seconds. That will be 2,500 daily, or more than half a million annually.

Fiat invested $335 million in the Fire. It is part of a broadly based annual expenditure by the Fiat automobile division of about $1.25 billion on new models, engines and facilities.

Fiat will put the engine into production toward the end of this year. Its first appearance will be in a new model from Lancia currently known as Y10 which will be introduced in February. Y10 is a baby-car addition to the Lancia line, and will not replace the equally small Autobianchi A112 that will continue in production for a considerable time after Y10 reaches the market.

Later, Fire will go into Fiat products which currently use the old 903-cc four-cylinder powerplant — the Uno and Panda. While Fire has a capacity of 1-liter and produces 45-HP, Dr. Paulo Scolari, Fiat technical director, says it could be produced in 800-cc or 1.1-liter form.

He says Fire was designed as a modular engine, and a three-cylinder version could be possible. Certainly turbocharged and diesel variations of the four-cylinder unit are well along. A sporty version will produce up to 80-HP while the turbo versions will top that.

Another Fiat source reveals that what Fire does for the 1-liter category, a new generation of 1.5-liter engines will do for Fiat in that category "fairly soon." A 2-liter is also a possibility.

Other key points in Fiat's engine-technology plans include fewer components, lower weight, less maintenance and better mileage.

Fire has 30 percent fewer components than the Fiat 127's 1,050-cc unit (273 parts versus 368). It also is more compact and, at 152 pounds, very light.

Fewer components, lower weight, less maintenance, better mileage.

The low weight is all the more surprising since Fiat retained cast iron for the cylinder block rather than using aluminum as some rivals are. The block weighs less than 40 pounds compared with 73 pounds for the overhead camshaft 1,050-cc unit.

Fire's cylinder head is aluminum, but cast iron is used in most other areas including connecting rods, camshaft, flywheel, bearings, valve guides and piston rings. At 13 pounds, the crankshaft is about 25 percent lighter than a 903's.

Fiat studied Heron, semi-Heron, bathtub, single and double ignition, and May principles for the Fire combustion chamber. It chose the bathtub type, quite unlike Porsche System's design for the new Seat engine.

While fuel consumption figures are not available — the Y10 in which it will bow has not yet appeared — Fiat says Fire 1000 will be 15 percent lower than current equivalent Fiat engines. □

Welcome to the real world

Spain's Seat plans string of new products

By Richard Feast
European Editor

Spain's state-owned auto maker, Seat, is entering the real world after years of isolation as a domestic manufacturer of other companies' designs.

Seat plans a string of new products, is exporting vehicles to western Europe in its own right, and is reducing manning levels and embarking on a massive course of automation. Significantly, Seat has established links with major European automaker Volkswagen AG, after painful separation proceedings instigated by Italy's Fiat Auto S.p.A. in 1980.

Seat commercial director Juan Jose Diaz Ruiz spoke enthusiastically during last month's Paris auto show where the first of the new generation Seats made its public debut. "Given the current model mix, we could break even at 280,000 cars. That could be next year, when we have introduced our commercial and industrial restructuring plans," Diaz Ruiz said. The possibility of Seat making a profit after years of losses would be one of the major, and least known, turnarounds in the world auto business.

Financial losses in Spain were the main reason why Fiat abandoned Seat, which further worsened Seat's prospects. The arrival in Spain of General Motors added to the country's domestic market competition as car demand throughout Europe dropped in the early 1980s.

The prospect of Spain entering the European Economic Community, and the beginning of a breakdown of tariffs and quotas which have kept out imports, called for drastic action at Seat.

The company went on the offensive. First, it made its two best sellers more distinctly Seats; the 127, originally designed by Fiat, became the Fura, and Ritmo became the Ronda. Seat even won a Chamber of Commerce legal battle, instituted by Fiat, which claimed copyright infringement.

Then Seat began a serious export drive into the rest of Europe. It cleared out most of its other Fiat designs, though it continued to manufacture Panda models for the Fiat network, and will do so until next year.

Seat's aim was 1.5 percent of the western European market outside Spain, or about 150,000 cars. Starting from base zero, it meant establishing dealer networks in various nations and essentially selling Fura and Ronda models in the early stages. Results in France and Italy have been particularly good.

Not until next year, with greater availability of the new generation Ibiza model, can Fiat reach its sales targets. For 1986, the company talks of consolidation and general strengthening of its achievements.

Ibiza forms part of the longer-term strategy. Lacking its own internal resources, Seat turned to Giugiaro (Ital Design, Italy) for its styling, Porsche System (West Germany) for its engine and transmission, and Karmann (West Germany) for body engineering. The result, says Diaz Ruiz, is a car with Latin styling flair, and the performance and engineering excellence of a German product. It will be priced a bit above Fiat Uno/Peugeot 205 and a little below Ford Escort/Austin Rover Maestro. Ibiza, maintains Diaz Ruiz, has the interior space of a C-segment car and the exterior dimensions of a B-segment.

During the next few months Seat will broaden the Ibiza's appeal. This will include a sporty version with 100-HP and Bosch electronic ignition by next June, and by the end of 1985 a five-door version. In early 1986 a three-box sedan derivative will follow.

Next March's Geneva auto show will display the first of another series of Seats — the Malaga, a C/D-segment model about 170 inches long which will compete with Ford Sierra and Opel Ascona.

In 1986, when Seat's Panda commitments to Fiat are completed, the Spanish company will introduce its own derivative of the lower-segment model, to be known as Marbella.

The names Malaga and Marbella, incidentally, are widely known in Europe as Spanish holiday resorts.

While its products have been launched in most European countries, Seat has yet to expand into the UK, Scandinavia and Switzerland. These countries will be added by the end of 1985.

A further, and not entirely clear, dimension concerns Seat's relationship with Volkswagen of West Germany. At present the link is entirely commercial. VW has no stake in Seat and there are no joint companies. But Seat assembles the Polo model sold by VW networks across Europe except West Germany. Seat also distributes VW and Audi products along with its own in Spain, and assembles Santanas for the Spanish market.

For VW, Seat is an entry into a market which had been closed to it, apart from a handful of sales which to the volume producer are of little significance.

What has not been explained is where the German-Spanish connection will lead. VW chairman Carl Hahn is evasive about his company's long-term plans in Spain, though it is certain Seat would like to produce the next generation Polo model in its entirety. If it did, Seat would be following a well-trodden path: GM Opel's small Corsa and Ford's small Fiesta are produced in Spain for sale in Europe.

Seat expects to build 310,000 cars this year, including only 22,000 Ibizas. By the end of December it will be producing at a daily rate of 450, half the number planned for a year later. In 1983, total production was 250,000.

In 1985 Seat plans to produce 400,000 compared with its theoretical capacity of 420,000. These increases are accompanied by a steady reduction in labor force. Seat began 1984 with 25,000 workers and expects to be below 22,000 by the end of the year. Cutbacks will continue until 1990 when a planned level of 19,500 is reached.

A management casualty this year was chairman Juan Miguel Antonanzas, who unexpectedly resigned and was replaced by former commercial director Juan Antonio Diaz Alvarez.

In productivity terms, Seat's employe reduction means boosting output from 9.5 cars per worker in 1981 to 16 this year and 24 in 1988. This will be accompanied by a massive automation program, Diaz Ruiz says. □

PSA puzzle

Where's the Fire?

The Fire 1000 engine was conceived as a joint project between Fiat Auto S.p.A. and France's Peugeot Group (PSA). Fiat now has declared its hand, but what about PSA?

The two collaborated on the design, and while Fiat has a car ready to equip with the new engine, PSA does not, and the absence of any clear PSA plan has led to speculation that it has withdrawn from the project.

PSA denies this, maintaining it will produce the engine when it needs to. Without any specific information, the belief is it will go into the new Citroen ZA expected to arrive some time in 1986.

The ZA is believed to incorporate a lot of thinking from the Eco 2000 experimental car shown at last month's Paris auto show. That had an 800-cc, three-cylinder engine, a derivative which is apparently feasible from the Fire design.

Whether PSA will be ready by 1986 to manufacture its version of the Fire is unclear. As a short-term measure it may have to buy some units from Fiat until its own production facilities are ready.

What is certain is that the original plan to have one huge factory producing a million engines a year has been abandoned. The debate centered on where the factory should be. Neither side, lobbied hard by its own employes, wanted it to be in the other's country.

Now it seems there will be two factories, each making half a million annually. Fiat's is at Termoli in central Italy. There is no indication where or when PSA's will move into action. □

—*Richard Feast*

Sales

Continued from Page 37

Ghidella: "There is no way we can be beaten in 1984," declares the head of the company's automobile division. He is probably right. Fiat is aided by two factors: Continuing strong demand in Italy where it dominates the market; and slacker consumer buying in the countries of its main rivals. After eight months, car buying in five of Europe's six largest national markets was down this year, including West Germany, UK, France, Spain and the Netherlands. The other 10 markets, accounting for 16 percent of the European total, rose slightly, but not enough to offset declines elsewhere.

The very feeble market in France—down nearly 14 percent —and the smaller UK downturn made the UK the second most important national market after West Germany. Second place is normally held by France.

The French situation contributed to Renault's problems. While the market was contracting, Renault's share shrank with it as a result of a trend away from its R5 and R18 models and toward Peugeot 205 and imports. □

factories list auction dates

American Motors

Nov. 6—Aptco Auto Auction, Taylor, Mich., and High Point Auto Auction, High Point, N. C.

Nov. 7—Southern Auto Auction, East Windsor, Conn.

Nov. 8—Corry Auto Auction, Corry, Pa.; Evansville Auto Auction, Evansville, Ind., and Northstar Auto Auction, Shakopee, Minn.

Nov. 9—Concord Auto Auction, Acton, Mass.

Nov. 13—D-A Auto Auction, New Stanton, Conn.

Nov. 14—Columbus Fair Auto Auction, Obetz, O.; Kansas City Auto Auction, Kansas City; Central States Auto Auction, Mason City, Ia., and Metro Milwaukee Auto Auction, Caledonia, Wis.

Nov. 15—Todd Auto Auction, Telford, Pa.; Evansville Auto Auction, Evansville, Ind., and Northstar Auto Auction, Shakopee, Minn.

Nov. 20—Aptco Auto Auction, Taylor, Mich., and High Point Auto Auction, High Point, N. C.

Nov. 21—Southern Auto Auction, East Windsor, Conn., and Evansville Auto Auction, Evansville, Ind.

Nov. 22—Northstar Auto Auction, Shakopee, Minn.

Nov. 23—Concord Auto Auction, Acton, Mass.

Nov. 27—D-A Auto Auction, New Stanton, Conn.

Nov. 28—Columbus Fair Auto Auction, Obetz, O.; Kansas City Auto Auction, Kansas City; Central States Auto Auction, Mason City, Ia., and Metro Milwaukee Auto Auction, Caledonia, Wis.

Nov. 29—Corry Auto Auction, Corry, Pa.; Evansville Auto Auction, Evansville, Ind.; Northstar Auto Auction, Shakopee, Minn., and Todd Auto Auction, Telford, Pa.

Nov. 30—Floyd Hauhe Auto Auction, Bridgeton, Mo.

Chrysler Corp.

Nov. 6—Hatfield Auto Auction, Hatfield, Pa.; Denver (Colorado Auto Auction), Commerce City, Colo., and Salt Lake Auto Auction, Salt Lake City, Utah.

Nov. 7—Sand Mountain Auto Auction, Boaz, Ala.; Columbus Fair Auto Auction, Obetz, O.; Minneapolis Auto Auction, Plymouth, Minn., and South Seattle Auto Auction, Kent, Wash.

Nov. 8—Northway Exchange, Clifton Park, N. Y.; Fredericksburg Auto Auction, Fredericksburg, Va., and Golden Gate Auto Auction, Fremont, Calif.

Nov. 9—Concord Auto Auction, Acton, Mass.

Nov. 13—Hatfield Auto Auction, Hatfield, Pa.; Aptco Auto Auction, Taylor, Mich.; Metro Auto Auction of Kansas City, Lee's Summit, Mo., and Los Angeles Dealer Auto Auction, Rosemead, Calif.

Nov. 14—Butler Auto Auction, Gibsonia, Pa.; Southern Auto Auction, Warehouse Point, Conn.; Dallas Auto Auction, Grand Prairie, Tex., and Southwest Auto Auction, Phoenix.

Nov. 15—Atlanta Auto Auction, Red Oak, Ga.; Clanton's Auto Auction, Darlington, S.C.; Arena Auto Auction, Chicago, and Indianapolis Auto Auction, Indianapolis.

Nov. 20—Hatfield Auto Auction, Hatfield, Pa.; Colorado Auto Auction, Commerce City, Colo., and Salt Lake Auto Auction, Salt Lake City.

Nov. 21—Sand Mountain Auto Auction, Boaz, Ala.; Columbus Fair Auto Auction, Obetz, O.; Evansville Auto Auction, Evansville, Ind., and Minneapolis Auto Auction, Plymouth, Minn.

Nov. 27—Hatfield Auto Auction, Hatfield, Pa.; Aptco Auto Auction, Taylor, Mich.; Metro Auto Auction of Kansas City, Lee's Summit, Mo.; Southwest Auto Auction, Phoenix; Los Angeles Dealer Auto Auction, Rosemead, Calif., and South Seattle Auto Auction, Kent., Wash.

Nov. 28—Butler Auto Auction, Gibsonia, Pa., and Dallas Auto Auction, Grand Prairie, Tex.

Nov. 29—Atlanta Auto Auction, Red Oak, Ga.; Clanton's Auto Auction, Darlington, S.C.; Arena Auto Auction, Chicago; 108 Auto Auction, Springfield, Mo., and Golden Gate Auto Auction, Fremont, Calif.

Nov. 30—Concord Auto Auction, Acton, Mass., and Floyd Hauhe Auto Auction, Bridgeton, Mo.

Ford Motor Co.

Nov. 7—Golden Gate Auto Auction, Fremont, Calif.

Nov. 8—Dallas Auto Auction, Grand Prairie, Tex.

Nov. 15—Denver Auto Auction, Englewood, Colo.

Nov. 20—Aptco Auto Auction, Taylor, Mich.

Nov. 28—Northway Exchange, Clifton Park, N. Y.

General Motors

Nov. 6—Southern Auto Auction, Warehouse Point, Conn.

Nov. 7—Metro Auto Auction of Kansas City, Kansas City.

Nov. 8 — Indianapolis Auto Auction, Indianapolis.

Nov. 13—South Seattle Auto Auction, Kent, Wash.

Nov. 14—Golden Gate Auto Auction, Fremont, Calif., and Clanton's Auto Auction, Darlington, S.C.

Nov. 15—Butler Auto Auction, Gibsonia, Pa.; Arena Auto Auction, Chicago, and Dallas Auto Auction, Dallas.

Nov. 27—Florida Auto Auction of Orlando, Ocoee, Fla., and Ohio Auto Auction, Inc., Grove City, O.

Nov. 29 — Brasher's Southern California Auto Auction, Fontana, Calif.

Nov. 29—Aptco Auto Auction, Taylor, Mich.; Floyd Hauhe Auto Auction, Bridgeton, Mo., and Denver Auto Auction, Englewood, Colo.

Cox Communications buys Houston auction

ATLANTA. — Cox Communications, of Atlanta, has acquired Big H Auto Auction, Houston, from Charles Thomas, of Houston.

The announcement was made by Warren V. Young, president of Manheim Auctions, which operates 15 auctions in 12 states and one in Canada. Manheim is part of the Cox organization.

Used Car Sales

Auction Averages

November to date	$5,185
Month ago	$5,320
Year ago	$5,161

Model breakdown

Auction Averages

	NOVEMBER TO DATE	OCTOBER 1984	SEPTEMBER 1984
1984	$10,538	$9,894	$9,747
1983	7,471	7,471	7,364
1982	5,470	6,074	5,762
1981	4,630	4,474	5,020
1980	3,830	3,986	3,932
1979	3,421	3,204	3,237
1978	2,413	2,350	2,346
1977	1,977	1,647	2,213
Overall Average	$ 5,185	$4,984	$4,894

GMAC settles suit charging bias in loans to Indians

By Jake Kelderman
Washington Reporter

WASHINGTON. — A consent agreement has been finalized in which General Motors agreed to not discriminate against American Indians when making auto loans.

The consent order was signed in U. S. District Court in Albuquerque and stems from a suit brought by the Department of Justice. GM admitted to no wrongdoing in the agreement.

The Department of Justice had accused GMAC of refusing to purchase installment loan contracts negotiated with American Indians on the same terms and conditions as those of other buyers. It also accused GMAC of offering them less favorable terms on the loans it did approve.

The Federal Bureau of Investigations and the Justice Department's Civil Rights Division had been investigating the finance company's operations in Arizona and New Mexico. Under the consent decree, the Justice Department will review loan application files provided by GMAC not only from those states but from Montana, North and South Dakota and the state of Washington to determine if any discriminatory activity took place. If Justice determines it has, GMAC will invite those affected to reapply for credit or to refinance their loans within one year.

A spokesman for GMAC said, "GMAC confirms that it has entered into a consent decree with Justice concerning certain procedures relating to the Equal Opportunity Credit) Act, but GMAC denies that its credit granting policies and procedures have discriminated against American Indians. Such discrimination would be totally inconsistent with GMAC's primary business objectives of facilitating the sale of GM products by purchasing every finance contract that has a reasonable chance of paying out."

"It is a matter of public record that GMAC was an early supporter in the U. S. Congress of enactment of the EOCA and the principles it promotes," he said.

"We agreed to the consent decree to avoid costly and protracted litigation which would divert resources from the pursuit of GMAC business objectives," Andrews said, adding that GMAC is confident the review of its files will demonstrate full compliance with the law.

Lyles is 25

C. E. 'Gator' Lyles, left, Lyles Motors, Inc., Ocala, Fla., receives a 25-year-dealer award from J. A. Martabano, Oldsmobile's Jacksonville zone manager.

Anglo American to sell Hewlett-Packard fleet

NASHVILLE.—Anglo American Auto Auctions announced that Hewlett-Packard's entire corporate fleet is being sold through Anglo-American locations in October and November.

Phase I of the sale began in October and offered '81, '82 and '83 General Motors, Ford Motor and Chrysler Corp. cars. Phase II begins in November and will offer '84 Ford and Lincoln-Mercury cars.

Insurance group urges DOT to write truck-braking rule

WASHINGTON.—The Department of Transportation (DOT) is once again being urged to write a truck-braking standard, but this time it should be based on newly developed load-sensing equipment and anti-lock brake systems, according to the Insurance Institute for Highway Safety (IIHS).

In 1978, PACCAR, Inc., successfully challenged NHTSA's truck-braking standard on the grounds that it was unworkable, partially due to the unreliability of anti-lock systems then available.

Since that time, trucks have been governed by a single federal stopping distance rule that requires trucks, depending on their configuration, to stop from 20 MPH in 35 to 40 feet on a dry road. Passenger cars, in contrast, are required to stop from 60 MPH in 216 feet on a dry road.

IIHS said a loaded tractor trailer can take 250 to 300 feet to stop from 60 MPH, but an unloaded truck or a tractor without its trailer can take up to 500 feet to stop from a speed of 60 MPH.

IIHS reasons that the disparity between car and truck stopping distances greatly increases the likelihood of accidents if a car is forced to make a sudden stop when followed by a truck.

Compounding the problem is an IIHS statistic that claims car occupants are 30 times more likely than truck occupants to die in a car-truck collision.

According to a report presented to the American Assn. for Automotive Medicine last month by Ian S. Jones, of IIHS, the poor braking performance of trucks is often due to the absence of brakes on front axles, poor brake adjustment and slow brake-activation times.

Jones also found that trucks were more likely to be involved in single-vehicle loss-of-control-type accidents than were passenger vehicles. These accidents would include instances of jackknifing and trailer-swing which might be brought under control with better truck braking and stability, Jones said.

The study suggested that DOT adopt the European approach to truck braking requirements, which has been to require improved stopping distances with braking on the front wheels of the tractor and slack adjusters, and then to gradually move to tighter stopping distances with anti-lock braking systems.

The use of load-sensing devices and the installation of retarders — devices fitted to the engine or driveshaft to provide added deceleration on long downgrades—were also suggested.

Jones stressed the tandem capabilities and adjustment ease of disk brakes on newer trucks, but claimed hydraulic brake vehicles could be made much safer through an anti-wheel-lock retrofit system applied to the tractor, in combination with slack adjusters and load sensing equipment fitted to the trailer.

He said the feasibility of such a combination has been proven through its use in Europe, and that the reliability of these systems has been greatly improved over those used domestically in the mid-1970s.

Golden Shovel Award

SCOTTSVILLE, Ky. — Ford Motor Co. has given Harper Ford here the Golden Shovel Award for modernization of the dealership.

Deal for Rehrauer

Robert W. Rehrauer signs a Pontiac franchise as Peter F. Carroll, left, zone manager, looks on. Rehrauer will take over Two Rivers Auto Service Co., Two Rivers, Wis., as his brother retires from the position.

With Reagan's reelection

Auto industry access to White House to stay

Continued from Page 1

that Mr. Reagan would not have to raise taxes.

But at least they could — and expect to — advise on taxes. They hope to be able to preserve access to capital at reasonable rates and to keep interest low enough to continue strong car sales. In general, they do not like Value Added Tax and prefer a modified flat tax — apparently the way the Administration will go.

Profits and prosperity now gild the companies and help offset severe dislocations caused during the last decade by the rise in oil prices and competition from small and fuel-efficient imports already onstream during the great downsizing exercise.

What happened during those two oil "shocks" has permanently changed the structure of the domestic industry. The change has been from a monolithic and predictable industry to one split between Chrysler Corp., Ford Motor Co. and American Motors vs. General Motors, which has adopted an Asian strategy.

MVMA, once the spokesman on most matters, now also includes Volvo of America and Volkswagen of America but does not include Nissan Motor Mfg. Corp., U.S.A., nor American Honda.

The import makeup has changed — growing as the Japanese companies import both for domestics and on their own. It now includes the Koreans and some Iron Curtain countries.

But a major difference is that the imports lack access, certainly to the White House and have only limited access to the Department of Transportation except through the legal processes.

During the Carter Administration, importers were welcomed as the "can-do" boys, offering competition to a mature and sluggish domestic industry.

With this said, it would be comfortable — but misleading — to assume the crunch is over. Sales are up, the industry is becoming competitive, and all signs are go. But recently, there have been hints that the energy supply and prices may be on the move again.

• If the climate again becomes unstable — while customers want those bigger and loaded cars, conceivably the domestic industry could be whipsawed again.

The central problem for the auto industry — far more important than regulation for example — are the trade-related issues — a direct fallout of the energy crunch which allowed the surge of imports. But here, the Reagan Administration outlook is cloudy — just as the companies are split in their viewpoints.

The Reagan Administration—billed as free trade—seems to be mixed; in fact, it has practiced some sleight-of-hand protectionism in spots.

Chrysler, Ford and AMC stand apart from GM and from their foreign brothers. But they also are separate from their natural brethren — the National Assn. of Manufacturers, the U. S. Chamber of Commerce and even their dealer associations.

They also differ from the import companies and their parent manufacturers including their own Japanese partners to whom they are joined in equity or common ventures, even though not in true and eternal love.

Chrysler has been the leader in fighting the Japanese—while bringing in its products profitably. Ford also wants an extension of the Japanese "voluntary" restraint agreement and has joined the UAW in asking the White House to continue Japanese quotas. AMC joins, almost silently, while selling its French bride's dowry.

The situation is different for GM, with its serious plans to import Suzukis, Isuzus and even Korean cars. After the election, GM itself may take its case to the White House and even get around to asking NHTSA if it can count the Toyota-made joint venture cars as part of its CAFE.

• Further, while the others complain much about the dollar/yen "imbalance" — and GM recognizes it — GM can use it to save money by outsourcing abroad.

The White House clearly does not want to address the VRA issue before the election and in fact, may prefer to keep the lid on until at least January and perhaps later — perhaps until the profit picture of the Japanese companies becomes clear. No decision is in the works.

The quotas are tied to other areas, such as the dollar/yen relationship — that "level" playing field.

Here, the Reagan Administration treads lightly, perhaps because high-quality imports have improved domestic products and perhaps even helped hold up car prices and company profits, or perhaps because in areas other than cars imports have helped hold down inflation.

But while trade policy is cloudy at the White House, the Administration is clear on its opposition to the UAW-backed domestic-content legislation, which is also cheered by Chrysler, backed as a "last resort" by Ford, quietly assented to by AMC and opposed by GM and the import companies. So far, it has not moved through Congress but its fate will be determined not by the President's reelection but by the makeup of Congress.

Particular mention should be made about the effect on the auto industry of the Administration's interpretation of the antitrust laws.

• GM has been the chief beneficiary. The willingness of the FTC to allow the GM-Toyota joint venture has enabled GM to change its corporate structure radically and gird for the future as it sees it.

In the area of regulation, "reform" would likely continue apace if the President is reelected. But the pattern of successful legal challenges by consumer advocates and insurance companies is also likely to continue.

This has led NHTSA to proceed cautiously and certainly slowly. Its regulatory calendar reads like everything the auto industry ever wanted, but the schedule is To Be Determined.

Meanwhile, NHTSA continues defect investigations. NHTSA also plans to continue efforts to rate makes and models for occupant protection in line with a 1972 statutory mandate, despite industry uneasiness.

At EPA — where the law itself contains instructions and deadlines — regulation is still in the works. This includes such things as gray-market cars, heavy-duty vehicles, emissions, use of methanol, the CAFE adjustment factor and changes in test procedures. And again, consumer activists are successful challengers.

But the real action for the auto makers will be in Congress where the Clean Air Act has not been reauthorized — or changed — since 1977.

But the new EPA — freed from the controversial Ann Gorsuch Burford — has been revived under the old Mr. Clean, William D. Ruckelshaus.

However, Ruckelshaus is expected to leave very shortly after the election and no one knows who the replacement will be.

Having once politicized the EPA, raising a storm of criticism, the President would be likely to accept the fact that environmental issues have both Republican and Democratic widespread support.

Besides, the battle is not really over car and truck emission control — but over toxic waste dumps, acid rain and water pollution.

The Industry

Better off than four years ago?

	Unit Sales First Nine Months 1984	1980	Profit (Loss) (In Millions) First Nine Months 1984	1980
American Motors	150,989	114,107	$ 12.3	($ 171.7)
Chrysler Corp.	741,131	475,307	1,770.3	(1,474.6)
Ford Motor Co.	1,477,710	1,084,429	2,186.0	(1,227.0)
General Motors	3,569,869	3,096,110	3,639.6	(824.2)
Volkswagen of America	61,715	143,782	N.A.	N.A.

Labor

Better off than four years ago?

	Hourly Employes (active) Nov. 1, 1984	Nov. 1, 1980	Layoffs Nov. 1, 1984	Nov. 1, 1980
American Motors	16,137	13,714	200	4,880
Chrysler Corp.	87,200	92,500	7,200	33,500
Ford Motor Co.	113,500	131,800	17,365	51,000
General Motors*	362,000	323,000	25,000	N.A.
Volkswagen of America	2,209	4,847	2,300	0

*—As of July, 1984 and 1980.

Grand Flagship sets sail

Moloney Coachbuilders, Schaumburg, Ill., has introduced a 48-inch stretch of the Lincoln, called Grand Flagship. It features companion seats, walnut cabinet, color TV with VHS player, premium stereo, power divider window, starlite roof and rear-compartment air conditioner.

Hyundai ready for U.S.; may sign dealers this year

Continued from Page 1

cent of the Canadian market through next March.

The 1985 prices are $6,145 (Canadian) for the basic model Pony L, $6,795 for the GL, $7,395 for the GLS and $7,995 for the Pony Plus, a limited edition version including a sunroof and foglights among other special features. All 1,000 Pony Plus models brought to Canada have sold, Wright said. All Pony models are four-doors.

The Pony is powered by an in-line 1.4-liter four-cylinder engine built under license from Mitsubishi, which owns 10 percent of the South Korean company. The GLS version for '85 has a 1.6-liter powerplant.

With a 92-inch wheelbase and an overall length of 165 inches, the car is approximately the same size as a Chevrolet Chevette.

The company's research shows that the typical customer is in the 18-to-35 age group. The most striking demographic has been the high percentage of women buyers — about 40 percent, Wright said.

With sales now expected to hit 20,000 in Canada this year, Hyundai is looking to double its volume in 1986, when the company in selling the Pony, including its front-drive replacement, and the Stellar compact sedan.

The new Giugiaro-designed Pony is due to go into production in South Korea next spring and will be an '86 model in Canada. The Stellar, also designed by Giugiaro, and now being sold in Britain, is scheduled to hit the Canadian market in March, 1985. The rear-drive compact is 174 inches long and has a wheelbase of 101.5 inches.

The Pony and Stellar will arrive in tandem in the U. S., and Wright said it is "99 percent" certain that that will happen in the 1986 model year.

"We're pretty sure they are coming for '86," he said. "But it hasn't been decided whether to start in the fall; January, 1986, or even March, 1986. My guess is that it would be around Jan. 1, but that is strictly a guess."

The process of putting together a dealer network in the U. S. has already begun on an informal basis and "will officially start to happen very soon," Wright said.

"Unofficial contacts have begun, but the actual franchising has not," he added.

• There has been some speculation that Hyundai will link its marketing efforts in the U. S. with a domestic manufacturer or possibly another foreign auto maker with a dealer group in place in this country.

According to one report, Hyundai has rejected an offer by Mitsubishi to sell and service the Pony and Stellar through Mitsubishi dealers in the U. S. However, both companies have denied that an arrangement was discussed.

Wright said Hyundai has no plans to align with another company in the U. S., but will instead establish its own string of franchise-holders.

"The current thinking is to do it the same way we have done it in Canada," he said.

Wright said there will most likely be three U. S. sales offices, probably situated in Detroit, Los Angeles and New Jersey. He said the offices will be established in the near future, possibly by the end of the year.

Hyundai reportedly plans to export 150,000 cars annually to the U. S., although Wright said the firm has not announced sales projections for the American market.

Volvo expands warranty package for '85 models

ROCKLEIGH, N. J.—Beginning with the 1985 models, Volvo of America Corp. claims its automobiles will be covered by "one of the most comprehensive and consumer-oriented warranty packages in the American market."

Heading the list of increased coverage is the new-car limited warranty which now provides 36 months of coverage with no mileage limitation.

In addition to the basic new-car limited warranty which covers repairs due to defects in materials and workmanship, '85 Volvos will be covered for minor adjustments for six months or 7,500 miles.

Also new are a 60-month seat-belt limited warranty and a 72-month corrosion protection limited warranty.

The corrosion protection warranty provides the following: For 36 months, the vehicle will be free from surface corrosion; for 60 months, the vehicle will be free of body section perforation, and for 72 months, the vehicle will remain free of structural corrosion damage.

No mileage limitations apply to the corrosion protection coverage, but a free annual inspection is required.

But no breakup with U. S. union, White says

Canadian UAW chief sees changes

Continued from Page 8

terpart. White would not elaborate on possible changes.

He has been advocating a Canadian Metalworkers Federation which would pull the Canadian UAW away from the international union and into its own relationship with the Rubberworkers, Steelworkers and other such industrial unions in Canada. However, he has said such a union is a few years away.

White denied reports in the Canadian press that once the negotiations are over he will pull the Canadian UAW out of the international union.

However, he said the Canadians must be able to pursue collective bargaining without severe interference (from the U. S.) and some changes must be made.

White has said for more than two years that the Canadians would seek their own contracts. The new agreement with GM, while borrowing some things from the U. S., addressed the Canadian problems.

One difference in the new GM-UAW agreement is a Special Canadian Adjustment which reflects the Canadian inflation rate and the difference in the U. S. and Canadian dollars. The total allowance will be 74 cents an hour over the three years.

"I think if you look at the total (Canadian) agreement, you will see that it is on a par with the agreement here, a little bit different features," said UAW President Owen Bieber.

"If you look at the two contracts, the pension is the same, the basic wage is the same, the holidays are different. There are no new holidays in that contract, but there is a pickup of 2½ PAA (paid absence allowance) days. By the same token, the $500 attendance bonus is not there, profit sharing is not there, the lump sums are not there."

Rod Andrew, vice president and general director of personnel, GM of Canada, said the new contract represented an average increase of $13,000 (Canadian) over the three years.

There are 36,800 UAW-represented GM workers in Canada.

There had also been reports that White and Bieber had a falling out during the Canadian strike, but Bieber said the relationship was "very good."

While not addressing his relationship with Bieber, White has said he had "strained conversations" with Bieber during the talks.

Bieber could not afford to let the Canadians get a contract that could be perceived by the U. S. workers to be better than the one negotiated here.

There is a vast difference in the labor cost in Canada. It is currently about $7.90 an hour less than in the U. S. GM's labor cost in the U. S. is currently $22.40 an hour, but that is expected to rise to about $25.86 under the new agreement.

Half the Canadian difference is due to the devalued Canadian dollar; the rest is because of differences in health care and pension benefits.

Car output slated at 172,244 but GM total is uncertain

By Louise Kertesz
Detroit Reporter

Projections for General Motors plants, resuming operation on a staggered schedule after the strike in Canada, made last week's auto production total uncertain.

Makers targeted assembly of 172,244 units last week, 19.20 percent more than the 144,506 completed the previous week, when seven GM facilities were idle. Last week's output was 9.62 percent better than the year-ago week's 157,125.

Last week's estimated production was shared as follows: GM, 54.67 percent; Ford Motor Co., 24.25 percent; Chrysler Corp., 15.56 percent; American Motors, 2.79 percent; Honda, 1.74 percent, and Volkswagen of America, 0.99 percent.

GM scheduled two overtime shifts Saturday (Nov. 3) at its plants in Flint (Buick G-Line); Detroit; Fairfax, Kans., and Linden, N. J. Plants in Orion, Mich., and Wentzville, Mo., worked one shift Saturday.

Ford Motor also scheduled Saturday overtime at these plants: Edison (N. J.), Kansas City and Wixom (Mich.).

Chrysler's plants in Belvidere, Ill.; Newark, Del., and Fenton, Mo. (St. Louis Nos. 1 and 2) are scheduled to operate two 9-hour daily shifts this week. The Jefferson plant (Detroit) is working two 8½-hour daily shifts.

Truck production tops 60,000 but is down for week

Last week's scheduled domestic truck production of 60,540 units was down 4.61 percent from the previous week's 63,465, but was 4.71 percent better than the year-ago week's 57,818.

So far this year, 2,652,513 trucks have been completed, 31.54 percent more than the 2,016,558 assembled last year at this time.

General Motors plants working two overtime shifts Saturday (Nov. 3) were: Pontiac No. 5, St. Louis and Janesville (Wis.).

Ford Motor Co. also scheduled Saturday overtime at its Lorain (O.) facility.

Chrysler Corp.'s Warren (Mich.) truck plant is operating two 9-hour daily shifts this week.

Canada slates year's best output as GM returns

With General Motors plants back in operation last week after the strike, Canadian car makers projected the best week so far this year: 25,395 units assembled.

But that record could not be reached without GM plants immediately resuming at normal speeds, which was not possible after 11 days off.

At 11,284 cars completed, the previous week's record low for the year was almost 600 units lower than had been expected. The halting of Eagle production at American Motors' Brampton (Ont.) plant for inventory adjustment contributed to the bottoming-out.

Last week's projected output of 25,395 cars was 125.06 percent higher than the previous week's 11,284, and 24.10 percent more than the year-ago week's 20,465.

Last week's truck production of 17,918 units was 45 percent better than the previous week's 12,357 and 45.91 percent ahead of the year-ago week's 12,280.

At Chrysler's Windsor (Ont.) plant, 2,346 Plymouth Voyagers, 2,352 Dodge Caravans and 942 Mini Ram Vans were completed, bringing the total T-115s built this year to 197,421.

CANADIAN CAR PRODUCTION

	Week Ended Nov. 3, 1984	Week Ended Nov. 5, 1983	Week Ended Oct. 27, 1984	October Estimate	Jan. 1 to Nov. 5, 1983	Jan. 1 to Nov. 3, 1984
AMERICAN MOTORS	610	687	.....	1,464	24,491	18,690
CHRYSLER CORP.	.....	.....	.....	.....	104,365	.....
FORD MOTOR	11,040	8,489	11,059	47,337	224,096	371,584
GENERAL MOTORS	13,520	11,064	.....	33,074	449,341	488,567
VOLVO	225	225	225	945	8,952	8,821
Total Cars, Canada	25,395	20,465	11,284	82,820	811,245	887,662

TRUCK PRODUCTION IN U. S.†

	Week Ended Nov. 5, 1984	Week Ended No 5, 1983	Week Ended Oct. 27, 1984	October Estimate	Jan. 1 to Nov. 5, 1983	Jan. 1 to Nov. 5, 1984
CHEVROLET	15,611	19,330	16,709	82,830	704,880	834,331
DODGE	4,600	4,005	5,462	21,980	120,921	178,027
FORD	25,760	20,867	26,500	119,887	783,521	1,015,093
GMC	6,192	6,434	5,834	28,870	222,253	273,104
INTERNATIONAL	1,577	1,175	1,189	6,843	43,306	64,417
VOLKSWAGEN	.....	.....	.....	.....	2,079	.....
JEEP	3,750	3,543	3,807	16,591	85,206	158,401
NISSAN	2,000	1,414	2,914	10,913	9,662	82,930
AM GENERAL	50*	50*	50*	230*	2,130*	2,210
MISCELLANEOUS	1,000*	1,000*	1,000*	4,600*	42,600*	44,000
Total Trucks, U. S.	60,540	57,818	63,465	292,744	2,016,558	2,652,513

CANADIAN TRUCK PRODUCTION

	Week Ended Nov. 5, 1984	Week Ended Nov. 5, 1983	Week Ended Oct. 27, 1984	October Estimate	Jan. 1 to Nov. 5, 1983	Jan. 1 to Nov. 5, 1984
CHRYSLER CORP.	8,092	1,798	8,711	36,543	108,117	308,921
FORD MOTOR	3,363	4,166	3,430	16,692	118,418	131,107
GENERAL MOTORS	6,248	6,183	.....	16,080	220,493	234,996
INTERNATIONAL	215	133	216	949	4,771	7,200
Total Trucks, Canada	17,918	12,280	12,357	69,264	451,799	682,224
N. American Trucks	78,458	70,098	75,822	362,008	2,468,357	3,334,737

†—Now includes window van production. *—Estimated.
Jeep includes commercial only. AM General includes government-destined vehicles.

U. S. CAR PRODUCTION

	Week Ended Nov. 3, 1984	Week Ended Nov. 5, 1983	Week Ended Oct. 27, 1984	October Estimate	Jan. 1 to Nov. 5, 1983	Jan. 1 to Nov. 3, 1984
AMERICAN MOTORS	4,800	5,469	4,549	12,166	163,738	163,651
AMC Total	.....	.....	.....	.....	4,071	.....
Eagle	.....	.....	.....	.....	4,071	.....
Renault Total	4,800	5,469	4,549	12,166	159,667	163,651
Alliance	3,200	3,344	2,786	7,643	135,400	93,496
Encore	1,600	2,125	1,763	4,523	24,267	70,155
CHRYSLER CORP.	26,800	8,771	30,647	134,723	746,833	1,064,494
Plymouth Total	8,200	2,300	9,643	43,988	262,043	323,641
Horizon	3,300	750	4,016	17,539	99,244	138,604
Reliant	3,400	1,489	4,016	19,060	157,982	150,031
Caravelle	1,100	26	1,069	5,070	4,512	16,606
Gran Fury	400	25	542	2,319	305	18,400
Chrysler Total	7,800	2,712	8,824	38,480	185,915	344,224
LeBaron	2,100	663	2,533	11,170	72,914	100,171
LeBaron GTS	800	.....	555	1,732	.....	2,052
Laser	1,400	581	1,697	7,358	12,938	61,255
New Yorker/E-Class	1,500	715	1,548	7,461	92,930	79,953
Fifth Avenue	2,000	753	2,491	10,759	7,133	100,793
Dodge Total	10,800	3,759	12,180	52,255	298,875	396,629
Omni	2,800	869	3,323	14,274	108,516	127,863
Aries	3,900	1,531	4,411	18,386	119,427	122,995
Daytona	1,100	869	1,282	5,661	10,251	45,900
Dodge 400	.....	.....	.....	.....	18,478	.....
Dodge 600	1,300	468	1,372	6,877	41,613	64,243
Lancer	600	.....	465	1,374	.....	1,614
Diplomat	1,100	22	1,327	5,683	590	34,014
FORD MOTOR	41,777	40,770	41,624	190,760	1,304,903	1,518,810
Ford Division	26,119	26,722	27,304	123,132	845,844	983,253
Escort	7,407	8,877	7,755	34,502	237,460	297,523
Fairmont	.....	.....	.....	.....	23,728	.....
Mustang	2,513	3,342	3,362	14,743	100,559	117,893
LTD	5,522	4,942	5,261	24,596	150,130	194,100
Thunderbird	3,249	3,584	3,279	14,822	163,263	127,243
Crown Victoria	2,180	1,736	2,199	9,139	80,891	72,079
EXP	1,119	.....	1,286	5,420	1,407	35,708
Tempo	4,129	4,241	4,162	19,910	88,406	138,707
L-M Division	15,658	14,048	14,320	67,628	459,059	535,557
Mercury Total	11,480	11,847	11,147	49,958	371,316	391,771
Lynx	1,228	1,857	1,473	6,594	63,946	59,623
Capri	717	676	597	3,115	21,335	15,631
Zephyr	.....	.....	.....	.....	8,601	.....
Marquis	3,062	1,811	3,317	13,450	63,840	101,755
Cougar	2,700	4,054	2,753	12,349	108,401	97,885
Grand Marquis	2,018	2,485	2,017	8,448	80,034	79,177
LN7	.....	.....	.....	.....	290	.....
Topaz	1,755	967	990	6,002	24,869	37,700
Lincoln Total	4,178	2,201	3,173	17,670	87,743	143,786
Continental	767	403	596	3,224	9,953	31,562
Lincoln	2,964	572	2,291	12,567	54,155	89,376
Mark VI/VII	447	1,226	286	1,879	23,635	22,848
GENERAL MOTORS	94,167	98,023	62,994	372,049	3,351,645	3,760,308
Buick Total	20,768	21,993	16,303	97,232	758,100	839,393
Skylark	1,040	3,658	122	9,793	91,659	90,439
Skyhawk	1,894	2,516	1,030	7,517	62,150	114,663
Somerset Regal	2,850	.....	2,265	9,393	.....	16,121
Century	5,429	3,449	4,741	24,167	143,602	193,963
Regal	3,044	4,789	2,318	12,802	206,808	155,636
LeSabre/Electra (rwd)	3,924	6,275	3,636	20,184	209,810	176,309
Riviera	1,445	1,306	1,481	6,244	44,071	44,505
Electra (fwd)	1,142	.....	700	7,132	.....	47,757
Cadillac Total	6,563	6,685	2,732	28,984	261,668	277,523
Cimarron	439	579	47	312	17,365	13,861
Seville	973	756	1,036	4,278	29,762	32,965
Eldorado	1,742	1,445	1,649	7,404	62,984	64,803
Cadillac	1,679	3,904	.....	5,717	151,557	98,760
DeVille (fwd)	1,730	.....	.....	11,273	.....	67,134
Chevrolet Total	27,147	34,743	19,989	106,954	1,111,188	1,276,696
Chevette	2,587	4,723	2,623	12,826	175,978	153,571
Cavalier	8,828	8,545	4,971	26,240	257,576	347,361
Celebrity	4,072	5,490	4,435	26,485	139,911	245,464
Camaro	4,412	5,034	2,858	9,686	164,962	196,912
Citation	1,400	1,870	81	6,146	74,604	92,130
Malibu/El Camino	597	415	503	2,045	97,740	20,785
Monte Carlo	1,155	4,829	1,404	7,895	99,491	88,069
Chevrolet	3,136	3,148	2,110	11,972	77,801	103,521
Corvette	960	689	1,004	3,659	23,125	28,883
Oldsmobile Total	26,303	23,004	15,923	91,285	863,855	909,204
Omega	.....	1,496	.....	.....	47,208	29,289
Firenza	1,436	1,849	602	5,520	39,721	59,925
Cutlass Supreme	4,992	6,295	4,486	19,471	257,425	219,465
Cutlass Ciera	6,282	5,713	4,501	17,427	181,207	212,124
88/98 (rwd)	6,882	6,676	2,520	24,722	302,562	269,983
Olds 98 (fwd)	2,414	.....	322	10,093	.....	62,907
Calais	3,235	.....	2,432	9,481	.....	17,566
Toronado	1,062	975	1,060	4,571	35,732	37,945
Pontiac Total	13,386	11,598	8,047	47,594	356,834	457,492
Acadian†	.....	133	243	1,137	12,895	12,691
2000 Sunbird	2,800	2,733	1,598	8,921	93,428	120,794
1000	736	658	791	3,936	36,198	35,097
Firebird	2,365	2,716	1,439	5,130	84,551	92,323
Phoenix	.....	478	.....	.....	21,799	14,116
Grand Prix/Bonneville	.....	1,925	.....	.....	82,041	29,735
Parisienne	2,260	835	1,148	9,440	9,588	38,034
Fiero	2,760	2,120	1,469	11,835	16,334	103,422
Grand Am	2,465	.....	1,359	7,195	.....	11,282
HONDA	3,000	1,681	3,307	14,259	41,951	116,066
VOLKSWAGEN	1,700	2,411	1,385	5,264	81,301	63,185
Total Cars, U. S.	172,244	157,125	144,506	729,214	5,690,371	6,686,514
Total Cars, Canada	25,395	20,465	11,284	82,820	811,245	887,662
N. American Cars	197,639	177,590	155,790	812,034	6,501,616	7,574,176
N. American Trucks	78,458	70,098	75,822	362,008	2,468,357	3,334,737
North American Cars and Trucks	276,097	247,688	231,612	1,174,042	8,969,973	10,908,913

†—All Acadians are built for sale in Canada. *—Estimated.

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